

**RESOLUTION NO. 75758**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE APPROVING THE ISSUANCE BY THE CITY OF NOT TO EXCEED \$120,000,000 OF SAN JOSE OF SPECIAL HOTEL TAX REVENUE BONDS, SERIES 2011 (CONVENTION CENTER EXPANSION AND RENOVATION PROJECT); AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE PROVIDING FOR THE ISSUANCE OF SUCH BONDS; APPROVING A BOND PURCHASE AGREEMENT PROVIDING FOR THE SALE OF SUCH BONDS; APPROVING AN OFFICIAL STATEMENT; APPROVING A CONTINUING DISCLOSURE CERTIFICATE; AUTHORIZING THE SALE OF SUCH BONDS; AND AUTHORIZING RELATED ACTIONS AND THE EXECUTION OF RELATED DOCUMENTS IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF SUCH BONDS**

**WHEREAS**, beginning in September 2008 and acting under Chapter 14.32 of the City's Municipal Code this City Council initiated proceedings to form its Convention Center Facilities District No. 2008-1, City of San José, County of Santa Clara, State of California (the "Convention Center Facilities District"); and

**WHEREAS**, following a public hearing, the City Council called a special mailed-ballot election of the qualified, landowner electors of the Convention Center Facilities District in which 78% of the votes approved the Convention Center Facilities District special taxes to be levied and collected within the Convention Center Facilities District and the issuance of bonds to be secured by the special taxes; and

**WHEREAS**, there has been posted on the agenda webpage for this joint meeting of the Authority and the City a form of Indenture (the "Indenture") providing for the issuance of the City of San José Special Hotel Tax Revenue Bonds, Series 2011 (Convention Center Expansion and Renovation Project) (the "Bonds"); and

**WHEREAS**, Merrill Lynch, Pierce, Fenner & Smith Incorporated, as representative of itself, Citigroup Global Markets Inc. and Wells Fargo Bank, National Association (collectively, the "Underwriter") has proposed to submit an offer to purchase the Bonds pursuant to a Bond Purchase Agreement (the "Agreement") in substantially the form posted on the agenda webpage for this joint meeting of the Authority and the City; and

**WHEREAS**, the City Council has determined that, because of the unusual nature of this financing, a private sale of the Bonds to the Underwriter in accordance with the Agreement would result in a lower overall cost to the City; and

**WHEREAS**, the City has caused to be prepared an Official Statement in preliminary form relating to the Bonds, a copy of which is posted on the agenda webpage for this joint meeting of the Authority and the City; and

**WHEREAS**, the City has caused to be prepared a Continuing Disclosure Certificate (the "Continuing Disclosure Certificate") for the purpose of making undertakings to provide certain annual financial information and notice of material events as required by Securities Exchange Commission Rule 15c2-12(b)(5); and

**WHEREAS**, this City Council has been presented with the form of each document herein referred to relating to the Bonds, and the City Council desires to approve such documents and to authorize and direct the execution of such documents and the consummation of such financing; and

**WHEREAS**, the City has full legal right, power and authority under the Constitution and the laws of the State of California to enter into the transactions hereinafter authorized; and

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:**

Section 1. The City Council finds and determines that the foregoing recitals are true and correct.

Section 2. The Indenture providing for the issuance of the Bonds, in substantially the form posted on the agenda webpage for this joint meeting of the Authority and the City, is hereby approved for execution by the City, and the City Manager and the Assistant Director of Finance and their designees, or any of them, acting on behalf of the City (each an "Authorized Representative") is hereby authorized and directed to execute the Indenture in substantially said form, with such changes or additions that may hereafter become necessary in the interests of the City and which are approved by the Authorized Representative executing the same in consultation with the City's financial advisor, its bond counsel, and the City Attorney, such approval to be conclusively evidenced by the execution and delivery of the Indenture, and the City Clerk is hereby authorized and directed to attest to such execution and to deliver the Indenture on behalf of the City.

Section 3. The Agreement providing for the sale of the Bonds, in substantially the form posted on the agenda webpage for this joint meeting of the Authority and the City, is hereby approved for execution by the City, and any Authorized Representative is hereby authorized and directed to execute the Agreement in substantially said form, with such changes or additions thereto that may hereafter become necessary in the interests of the City in consultation with the City's financial advisor, its bond counsel, and the City Attorney, such approval to be conclusively evidenced by the execution and delivery of the Agreement, and the City Clerk is hereby authorized and directed to deliver the Agreement; provided, that the aggregate principal amount of the Bonds shall not exceed \$120,000,000, the true interest cost on the Bonds shall not exceed 7.50% true interest cost per annum, the Underwriter's discount shall not exceed 0.6%, and the final maturity of the Bonds shall not be later than May 1, 2051.

Section 4. The Official Statement (the "Preliminary Official Statement") relating to the Bonds, in substantially the preliminary form posted on the agenda webpage for this joint meeting of the Authority and the City, is hereby approved, and any Authorized Representative is hereby authorized and directed to certify to the Underwriter that the Preliminary Official Statement is deemed to be final as of its date, except for certain final pricing and related information permitted to be omitted in accordance with Rule 15c2-12 of the Securities Exchange Commission, and the Underwriter is hereby authorized and directed to distribute or cause the distribution of copies of the Preliminary Official Statement to prospective purchasers of the Bonds, and any Authorized Representative is hereby authorized to execute and deliver an Official Statement in final form (the "Final Official Statement") relating to the Bonds in substantially the form of the Preliminary Official Statement, which Final Official Statement shall include final pricing and related information and other changes which are approved by the Authorized Representative executing the same in consultation with the City's financial advisor, its bond counsel, and the City Attorney, such approval to be conclusively evidenced by such execution and delivery of the Final Official Statement, and the Underwriter is hereby authorized and directed to distribute or cause the distribution of copies of the Final Official Statement to all purchasers of the Bonds.

Section 5. The Continuing Disclosure Certificate, in the form posted on the agenda webpage for this joint meeting of the Authority and the City, is hereby approved. Any Authorized Representative is hereby authorized and directed to execute and deliver the Continuing Disclosure Certificate in substantially said form and presented to this meeting, with such changes as may be approved in the interest of the City by the Authorized Representative executing the same in consultation with the City's financial advisor, its bond counsel, and the City Attorney, such approval to be conclusively evidenced by such execution and delivery.

Section 6. The Authorized Representatives are hereby authorized and directed, jointly and severally, to do all things and to execute and deliver all documents and contracts they deem necessary or advisable for consummating the sale, execution, and delivery of the Bonds and otherwise to carry out, give effect to, and comply with the terms and intent of this resolution, the Indenture, the Bonds, the Agreement, the Continuing Disclosure Certificate, the Preliminary Official Statement, and the Official Statement. All such actions previously taken by the Authorized Representatives are hereby ratified, confirmed, and approved.

Section 7. This Resolution shall take effect immediately upon its adoption.

ADOPTED this 15th day of March 2011, by the following vote:

AYES: CAMPOS, CHU, HERRERA, LICCARDO, NGUYEN,  
OLIVERIO, PYLE, ROCHA; REED.

NOES: NONE.

ABSENT: CONSTANT, KALRA.

DISQUALIFIED: NONE.



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CHUCK REED  
Mayor

ATTEST:



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DENNIS D. HAWKINS, CMC  
City Clerk

CITY CLERK'S CERTIFICATE

I, Dennis D. Hawkins, City Clerk of the City of San José, hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the City Council of said City duly, regularly and legally held at the San José City Hall, 200 E. Santa Clara Street, San José, California, on March 15, 2011 and entered into the minutes thereof, of which meeting all of said members of the Council had due notice and at which a quorum thereof were present.

At said meeting said resolution was adopted by the following vote:

Ayes: CAMPOS, CHU, HERRERA, LICCARDO, NGUYEN, OLIVERIO, PYLE, ROCHA; REED.

Noes: NONE.

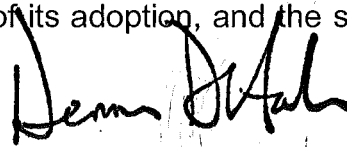
Absent: CONSTANT, KALRA.

Disqualified: NONE.

An agenda of said meeting was posted at least 72 hours before said meeting at 200 E. Santa Clara Street, San José, California, a location freely accessible to members of the public, and a brief general description of said resolution appeared on said agenda.

I have carefully compared the foregoing with the original synopsis of said meeting on file and of record in my office. Said original resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: March 15, 2011.



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City Clerk of the City of San José, California